

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 /053 W

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R 191600Z NOV 75

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 7712

C O N F I D E N T I A L LIMA 9592

FOR L/ARA - D.A. GANTZ

EO 11652: GDS

TAGS: EMIN, EINV, EIND, PE

SUBJECT: CERRO SALES PROBLEMS

REF: CERRO-GANTZ MEMCON 11/7/75

1. WITHOUT INDICATING RECENT KNOWLEDGE OF CERRO SALES COMMISSION PROBLEMS WITH MINEROPERU COMERCIAL (MINPECO), EMBASSY OFFICER LAST WEEK HAD OCCASION TO DISCUSS MATTER WITH ALBERTO RUBINA OF MINPECO. RUBINA RECOUNTED IN LESS DETAIL INFO CONTAINED REF MEMCON, NOTING THAT HE HAD DISCUSSED MATTER WITH PRITZKER, CERRO PRESIDENT, LAST MONTH. RUBINA CLAIMED THAT PRITZKER ALLEGEDLY CRITICIZED ACTIONS OF CERRO SALES CORP. OFFICIALS FOR ORIGINALLY HAVING DECIDED TO HOLD BACK THE \$5.5 MILLION, BUT ON THE OTHER HAND SAID CERRO WILL NOT RETURN THE MONEY UNTIL SALES CONTRACTS ARE SIGNED. RUBINA SAID THAT PRITZKER AND OTHER CERRO EXECUTIVES ARE WORKING TO RESOLVE PROBLEM AS IS MINPECO.

2. SPECIFICALLY, RUBINA EMPHASIZED THAT GOP IS WORKING ON A DECREE LAW WHICH MIGHT RESOLVE ISSUE OF TWO PERCENT COMMISSION. (NOTE: RUBINA DID NOT GO INTO DETAIL AND EMBASSY OFFICER DID NOT PRESS HIM, BUT WE PRESUME THIS MAY BE REFERENCE TO CERRO SALES SUGGESTION  
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PASSED TO MINEROPERU'S NEW YORK OFFICE ON NOVEMBER 5 FOR

TRANSMISSION TO RUBINA).

3. SPEAKING OF POTENTIAL RETALIATION AGAINST CERRO, RUBINA SAID THAT GOP DOES NOT WISH TO TAKE ANY ACTION, BUT THAT CERRO'S SUBSIDIARIES MIGHT BE EXPROPRIATED SHOULD NO FINAL AGREEMENT BE REACHED. HE ALSO VOLUNTEERED THAT IT WOULD BE A "GOOD IDEA" FOR CERRO TO SETTLE SOON, SINCE THIS KIND OF ISSUE COULD HAUNT IT IN FUTURE YEARS, AND POSSIBLY PLACE CERRO'S INVESTMENT IN SPCC IN JEOPARDY SHOULD A RADICAL GOVERNMENT EVENTUALLY REPLACE WHAT HE TERMED THE MODERATE GOVERNMENT OF MORALES BERMUDEZ.

4. COMMENT: EMBASSY AGREES THAT RUBINA'S REFERENCES TO EXPROPRIATION WOULD ALMOST CERTAINLY NOT EXTEND TO SPCC, BUT COULD INCLUDE REMAINING CERRO COMPANIES HERE. WE WILL AWAIT DISCUSSIONS BETWEEN CERRO AND DEPARTMENT BEFORE CONSIDERING WHETHER FURTHER EFFORTS AT THIS END WITH RUBINA OR OTHERS WOULD BE USEFUL.  
DEAN

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## Message Attributes

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